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September 7, 2006

**ADDENDUM 3
TO
REQUEST FOR PROPOSALS
No. 07-001**

**TO FURNISH HEALTH AND LIFE INSURANCE BENEFIT PLANS AND/OR
ADMINISTRATIVE SERVICES FOR ACTIVE EMPLOYEES AND RETIREES**

EUTF's Response to Written Questions

**Section One
Administrative Overview**

1. Q: Section 1.01 Introduction, page 5. How many members moved to the VEBA Trust, and when was it established? Are additional VEBA Trusts anticipated in the next two years?

A: The HSTA VEBA Trust implemented its plan for active employees effective March 1, 2006, with 13,250 EUTF participants moving from EUTF to the HSTA VEBA. The United Public Workers (UPW) has notified employers of its intent to implement VEBA Trusts for members of bargaining units 1 and 10. Currently, UPW and the employers are negotiating a Memorandum of Agreement (MOA) that would address implementation of the VEBA Trust for each UPW bargaining unit. At this time, EUTF does not know when or if the UPW VEBA Trust(s) will be implemented. EUTF participants potentially affected include 8,576 in bargaining unit 1 and 2,936 in bargaining unit 10.

2. Q: RFP page 14, item 1.20: Please advise for vendors proposing on all product lines whether these conditions can be addressed based on the underlying medical plan only. Does each individual product offering require a separate response?

A: The offeror should address the special conditions for all product lines being proposed not just the underlying medical plan. This can be reflected in one blanket statement if the statement is true for each and every product line being proposed.

3. Q: Section One, 1.20, Special Conditions. "Initially, the insurance policy must have limits of liability of at least \$5,000,000." Will this requirement change since the use of the word "initially" is used?

A: Paragraph 7 of RFP Section 1.20 provides, in relevant part, that the adequacy of coverage afforded by the contractor's insurance shall be subject to review by the Board of Trustees, from time to time, and if it appears that a reasonably prudent trustee, operating a trust fund similar to that operated by the Board, would require an increase in the limits of liability of such insurance, the contractor shall take all necessary actions to increase such limits. As such, it is possible for the specified requirement to change.

4. Q: Section 1.20, paragraph 8. Does this section conflict with the Records Retention requirements Section 1.20 Special Conditions page 14, under 3. Records? When documents, information, and data are turned over to the EUTF, how will the contractor answer any subsequent questions that may arise? Is the EUTF assuming that the contractor would still retain copies of the documents, information and data for the three year period? What is the definition of confidential or proprietary? Does the definition change between a fully insured and a self-funded plan?

A. Paragraph 8 gives the EUTF the right, upon the expiration or any early termination of the contract, to have its administrator direct the contractor to destroy or deliver to the EUTF any confidential or proprietary documents, information, and data. The contractor would not have an obligation to maintain any records that the EUTF administrator has directed to be destroyed or delivered to the EUTF. If the contractor believes that for either legal or practical reasons it is required to keep any documents, information, and/or data that the EUTF administrator has directed to be destroyed or delivered, the contractor should bring that up with the EUTF administrator and/or EUTF board of trustees as soon as reasonably possible after it receives the direction to destroy or deliver.

The EUTF has no particular definition for the terms "proprietary" or "confidential" as those terms are used in paragraph 8. These terms shall be construed as other terms in a contract are normally construed. In general, "proprietary" refers to the EUTF's ownership of the documents, information, or data while "confidential" means that the documents, information, or data are not publicly available and/or their dissemination is intended to be restricted. The definitions are not different for fully insured versus self-insured plans. If the contractor disputes the proprietary or confidential nature of any document, information, and/or data that the EUTF administrator has directed to be destroyed or delivered, the contractor should bring that up with the EUTF administrator and/or EUTF board of trustees as soon as reasonably possible after it receives the direction to destroy or deliver.

5. Q: Section One, 1.20. If an offeror is proposing only a single plan vs. a bundled option, would the insurance minimums remain as listed in the RFP? If an offeror is proposing a bundled option, are the insurance minimums increased or remain as listed?

A: The insurance minimums are the same for each carrier, regardless of how many lines of coverage are being offered.

6. Q: Page 8, Item 1.09. Regarding the original unbound copy, does a three-hole punched proposal submitted in a three-ring binder qualify or does the EUTF prefer the original to be

submitted in an envelope by itself with nothing other than the envelope to hold its contents together.

A: The RFP states, “The original proposal must be single sided, unbound, and clearly marked, ‘Original.’” The original may not have holes punched, nor should it be in a three-ring binder. The original may be placed in a separate envelope as suggested in the question, and/or it may be held together with a clasp or rubber band.

7. Q: Page 8, 1.09. Since the consultant is in California, clarifying whether their copies of the proposal need to be postmarked or received by September 19, 2006.

A: The copies of the proposal to be sent to Garner Consulting should be postmarked by September 19, 2006. Determination of timely submission will be based on receipt at the issuing office as stated in the RFP.

Section 1.13 Offerors should fill in the forms, worksheets, and questionnaires in the RFP to the maximum extent possible. Offerors will not be disqualified for not filling in those parts of the forms, worksheets, and questionnaires that do not apply to the types of plans or services they are proposing to offer.

8. Q: Section 1.13 Disqualification of Proposals, 1. p. 10. Please describe more fully the provisions that would disqualify a self-insured proposal.

A: A self-insured proposal is subject to the same terms governing disqualification as other proposals. Those terms are set forth in RFP Section 1.13.

Section Two Proposal

9. Q: Page 20, 2.05. Can the offeror integrate its relevant responses from Appendix C into its narrative, or does the EUTF prefer the offeror to specifically reference which responses from Appendix C are pertinent?

A: In the proposal section addressing “Project Approach,” the offeror should include explicitly, in question and answer format, the applicable questions from Appendix C. (Note “Applicable” refers to the organization of Appendix C according to the various benefit plans.)

10. Q: Page 20, 2.06. Can the offeror integrate its relevant responses from Appendix C into its narrative, or does the EUTF prefer the offeror specifically list the three questions and the offerors responses in this section?

A: In the proposal section addressing “Organization and Staffing,” the offeror should explicitly answer the three questions in question and answer format.

11. Q: Section 2, 2.06: Everyone within the organization will at some point during the contract, perform work and services required under the RFP, is the expectation that information would be required for everyone?

A: No. Key personnel who will work on the account are the only ones for whom this information is required.

Section Three Scope of Work

12. Q: Section Three, number 4, Key Personnel. Please clarify the purpose and intent of the representatives. Are you looking for a local contact? Approximately how many meetings are called per year?

A: The purpose and intent of having designated representatives is to ensure that there are: (1) contractor personnel with authority for the EUTF to call to obtain answers to questions or other information regarding matters relating to contractor's plan(s); (2) contractor personnel to call to provide information to the contractor; (3) experienced and responsible contractor personnel assigned to handle the EUTF plan and that there is a certain amount of continuity among such personnel; and (4) one or more contract liaison officers who shall be responsible for contractor's performance of the contract and who shall attend meetings of the EUTF board of trustees and, upon request, with the EUTF administrator or consultant. In this last respect, the EUTF believes it is important that contractors attend or be represented at the public meetings of the EUTF board of trustees and committees in order to stay current on all developments that may affect them. A local contact may be desirable, but is not necessary. There are approximately 10 regular meetings of the EUTF board of trustees per year. The number of committee meetings has varied per year. In the past, most of the regular committee meetings have been held around the same time as the regular board of trustee meetings.

13. Q: Request for Proposal document, Section 3, Nos. 5-6. Please confirm if the semi-monthly eligibility feed applies to life insurance. If so, what would you want [name of offeror] to track and provide as a result of receiving this feed?

A: Yes, the semi-monthly eligibility file is transmitted to the life insurance carrier. The primary purpose of the file is for the carrier to know whether a person is eligible when a claim is filed.

14. Q: Section 3, Scope of Work 3, page 24: This section requires all customer service personnel, systems and equipment to be located in Hawaii. If this is a requirement, essentially all PBMs will be disqualified. Please describe the EUTF's flexibility on this scope of work requirement.

A: Item 3 of Section 3.02 of the RFP provides that the contractor shall maintain a customer service office in Hawaii and that the contractor's personnel, systems, and equipment at that office be reasonably sufficient to provide all the customer services required under the

contract. This does not require a contractor to maintain all of its customer service personnel, systems, and equipment in Hawaii. In the past, carriers have contracted with local organizations for the provision of customer service. This or other reasonable alternative solutions will be considered.

15. Q: Section 3, Scope of Work 10, Page 26. It is believed that the EUTF is currently seeking the federal subsidy. Please describe fully the EUTF's Medicare Part D program and indicate whether any changes are anticipated for 2007 and 2008 plan years.

A: Presently, the employers (State and county) use the Retiree Drug Subsidy (RDS) option. For the contract period covered by this RFP, either the employers will continue with the RDS option, or EUTF will contract with a CMS approved plan. At this time, a final determination has not been made. The final decision will be influenced by the proposals received in response to this RFP.

16. Q: Section 3, Scope of Work 14, page 28. Payment is indicated as monthly following the payment of claims. For the self-insured prescription drug plan, please describe what flexibility the EUTF offers, since most PBMs pay pharmacies on 2 week cycles.

A: The reference to the Scope of Work relates to the current payment process for insured plans. EUTF is open to proposals for alternative methods of payment for self-funded plans.

17. Q: Section 3.01. If multiple carriers are selected for a product line, will the same financial arrangement be in place for each carrier?

A: Yes. For each line of coverage offered, all plans will be either self-funded (full or modified) or fully insured.

18. Q: Section 3.01. If a product line is awarded to multiple carriers, will the trust fund offer the same plan design under all carriers or will carriers offer different plan designs?

A: This determination will be made at the discretion of the Board of Trustees.

19. Q: Section 3.01. If multiple carriers are awarded a line of business and plan designs have annual deductibles, maximums and annual service limits, does the entire annual deductible, maximum, service visit "restart" under the new carrier if a member changes carrier at the next open enrollment?

A: This determination will be made at the discretion of the Board of Trustees.

20. Q: Section 3.02. Under a 5% or 10% retrospective premium agreement, if benefits and retention exceed 100% of premiums due, can deficits be rolled forward to reduce surpluses from other plan years?

A: Yes.

21. Q: Section 3.02. Under a minimum premium plan, when will the EUTF pay the contractor for administrative expenses? Prior to the start of the month for which payment is being rendered, or in arrears?

A: The EUTF will pay the contractor on a monthly basis, in arrears.

22. Q: Section 3.02. If a deficit results from the first plan year, can it be carried forward to reduce any surplus from the second plan year and any extension years?

A: Yes.

23. Q: Section 3.02. If multiple contracts are awarded to the same carrier, can all of the lines be accounted for together, where a surplus in one can be used to offset the deficit in the other?

A: Yes, however actives and retirees must be kept separate.

24. Q: Section 3.02. Please describe your expectations for open enrollment for COBRA members.

A: For COBRA open enrollment, all carriers are expected to submit to the EUTF information on the existing COBRA enrollees. The EUTF will send open enrollment information to these enrollees to allow them to participate in a similar open enrollment process provided to our active employees. Any enrollment forms received will be forwarded to the carriers for subsequent action.

25. Q: Page 25, 3.02. How far is EUTF expecting carriers to accept retroactive effective or cancellation dates indicated on the file? What are EUTF's rules on permitting retroactive transactions? Is it EUTF's expectation to honor claims paid retro cancellations?

A: Depending on the circumstances, there is no specific limit to retroactive effective or termination dates. EUTF has no specific rules titled "retroactive transactions." Rules related to eligibility, enrollment, termination and cancellation are in the EUTF Administrative Rules. EUTF must comply with various State and Federal laws, as well as court orders and arbitration awards, in retroactive transactions. EUTF expects carriers to honor claims for the period during which participants are eligible as determined by EUTF. If the eligibility period changes due to a retroactive transaction, EUTF has no rule or contract provision preventing the carrier from seeking reimbursement or recovering payments from participants for claims made during a period when the participant was not eligible.

26. Q: Page 25, 3.02. Confirming that this expectation (processing cancellations and terminations within 24 hours) is based on the following:

- ** Notification by EUTF of file transmission
- ** Successful electronic receipt of data
- ** Data is based on agreed upon file format without discrepancies
- ** 24 hours applies to normal business hours

A: The EUTF confirms that the expectation is based on notification by electronic data transmission and the 24 hours applies to normal business hours. 24 normal business hours means 24 consecutive hours excluding Saturdays, Sundays, and State of Hawaii holidays. For example, if a transmission occurs at 4 pm on a Thursday, the EUTF expects processing to be completed by 4 pm on Friday. If a transmission occurs at 4 pm on a Friday before a Monday holiday, the EUTF expects processing to be completed by 4 pm on Tuesday. The EUTF does not confirm the other stated conditions.

27. Q: Section Three, 3.02. How does the EUTF intend to measure compliance on the participants' part?

A: This determination will be made at the discretion of the Board of Trustees.

28. Q: Section Three, 3.02. Are we to assume that the format for these reports are contractor defined since samples are requested to be attached to the RFP response? In the case of the financial operations report that is due on or before the 10th day of the month following the month that is the subject of the report, is the use of estimates acceptable? What are EUTF's expectations here?

A: Yes, the format is contractor defined. Yes, estimates are acceptable. The EUTF expects reports very much like the quarterly financial operations reports.

29. Q: Section Three, 3.02. If Medicare does not cover the health plan proposed and hence the breakout between Medicare and non-Medicare retirees is not automatically provided to the contractor, will contractor be exempted from this requirement?

A: Yes.

30. Q: Section Three, 3.02. Does the 12 months in the formula mean the most recent 12 months? Does this mean the formula methodology would override the contractor's rates as proposed in response to the RFP for the extension period?

A: Yes, the formula is intended to use the most recent 12 months. No, the RFP does not solicit rates for extension periods, and therefore the formula will have nothing to override.

31. Q: Section 3.02, Item 15. Availability of Funds: Is the contractor able to put provider payments on hold if there is insufficient availability of funds? The EUTF is held harmless in terms of interest or damages. Is the contractor subject to the same privilege?

A: If there is an insufficient availability of funds, the EUTF will: (a) cancel award of the contract; (b) renegotiate award of the contract to purchase reduced or modified services; (c) delay the commencement date of the contract; or (d) terminate part or all of the contract. Under (a), (b), and (c), the EUTF would be dealing with the insufficient availability of funds prior to the contract commencing so the contractor should not have incurred any debts for provider payments. Generally, the EUTF does not commence contracts until collective

bargaining has established that there will be available funds to pay for the contractor's plans for the relevant fiscal period. As such, termination of a contract should be a very rare occurrence. In addition, both the EUTF and the contractor will very likely have advance notice of the circumstances leading to such a termination and can plan accordingly. Whether a contractor would be able to put provider payments on hold due to insufficient availability of funds is between the contractor and its providers. Unlike the State and EUTF, the contractor does not have the privilege of being held harmless from damages or interest unless it has provided for such in its agreements with providers.

32. Q: Section Three, 3.02. Under the retrospective Premium agreement, is the remittance amount calculated each month such that amounts could fluctuate. Hence, the EUTF would calculate 100% each month, and remit only 95% to the contractor?

Can the contractor collect up to the maximum retrospective premium to offset any "excess amounts" from previous years within the current contract awarded?

A: Yes, and yes.

33. Q: Section Three, 3.02. Who determines the interest rate to be used?

A: The interest rate to be used is the 90-day T-bill rate, adjusted once annually.

34. Q: Section 3.02.20. Network turnover in Hawai'i typically exceeds 5% annually due to the number of physicians leaving practice or returning to the US mainland. Can we exclude such categories from turnover?

A: No.

35. Q: Based on experience (return rate, etc.) if we feel the standard is unrealistic, may we propose a methodology where we are able to come to an agreement with the EUTF?

A: Yes.

36. Q: Section 3, Performance Guarantees 20, page 31. Will the EUTF permit the percentage of calls answered to be 100% within an average of 30 seconds, without a reduction of points to the proposer?

A: No, this proposal varies from the specifications of the RFP and could result in a reduction of points to the proposer.

37. Q: Section 3, page 31, paragraph 19. This requires that "Accounting will be separate for active and retirees: the surplus of one group will not be used to offset the deficit of the other." Is the experience for the EUTF's current life insurance contract by active employees and retirees, or combined? Is the EUTF requiring that the experience be separated by active employees and retirees in the life insurance contract?

A: Experience under the current contract is not combined. Yes, the EUTF requires that the experience be separated by active employees and retirees and retirees and a surplus in one group cannot be used to offset a deficit in the other.

38. Q: RFP page 31, item 3.02.20. Are performance guarantees to be addressed from a medical product standpoint only?

A: The performance guarantees should be addressed for each and every line of coverage offered not just the medical product.

39. Q: Page 31, 3.02.20. Customer Service. Are calls and/or inquiries received by the EUTF logged? If so, can these files be transferred to the contractor?

A: Most calls and inquiries are logged manually at EUTF. No, EUTF call logs will not be transferred or otherwise given to the contractor.

40. Q: Page 31, 3.02.20, Customer Service. In addition to English are there any other language requirements for customer service.

A: The RFP has no other language requirements. Contractors should know and comply with any State or Federal laws relating to language requirements.

41. Q: Section Three, 3.02. Please confirm EUTF's expectations, that the contractors will be held to comply with these requirements unless HIPAA rules exclude requirements for certain benefits such as dental and vision.

A: Yes, this is confirmed.

42. Q: Section Three, 3.02. How will EUTF determine a contractor's compliance with this requirement?

A: As a part of its operations, the EUTF may determine whether a contractor is complying or violating this requirement, e.g., contractor fails to provide information necessary for EUTF to respond to a member's request for an accounting. Further, the EUTF will investigate any complaints from members. The EUTF reserves the right to take other actions to determine whether any contractor is complying with this requirement.

43. Q: Section 3 Scope of Work 3.02. I am requesting clarification as to whether ID cards will be required, if a plan operates on a paperless system that does not use ID cards.

A: If a carrier does not use ID cards, the proposal should state this and explain how participants are able to readily obtain benefits without need for an ID card.

Section Four Proposal Evaluation

44. Q: Section Four, 4.03. Since the current dental program is not a PPO, will all offerors be required to bid on a traditional UCR dental program?

A: No. Appropriate allowances will be made in the evaluation for offerors who do not bid on an identical type of program.

45. Q: Section 4.03, Evaluation 5, page 38. This states the EUTF's desire for disease management programs. Is this to be part of the self-insured prescription drug proposal? If so, where would pricing and description of such services be indicated?

A: Each offeror is free to quote on any additional prescription drug plan designs or bundled packages it wishes to submit for consideration.

Section Five Contract and General Conditions

46. Q: Section Five. General Conditions: What is the definition of interest? In situations where a spouse of an employee works for the EUTF and the employee is covered as a dependent, could this be considered having an interest?

A: The State does not have a particular definition of what constitutes an "interest" under this section. What constitutes an interest shall be construed as other terms in a contract are usually construed. Whether a contractor's employee having a spouse that works for the EUTF or whether a contractor's employee being a dependent-beneficiary in the EUTF's plans constitutes a conflict of interest depends on whether such relationships would or might conflict with the contractor's performance under the contract. If there is any doubt as to whether an offeror or contractor has or may have a conflict of interest, the offeror or contractor should notify the EUTF of the relevant facts.

Appendix C Questions for Offerors

47. Q: Please provide Appendix C in Word format.

A: See Addendum 1 to the RFP issued August 22, 2006.

48. Q: PPO Questionnaire, Question B.2. Please provide census data to complete the request.

A: Census data has been posted on the web site.

49. Q: Appendix C, Dental Plan Questionnaire. Is the intent to convert the dental deductible and dental plan maximum from a calendar year to a plan year?

A: Yes.

50. Q: Dental Questionnaire. Will the EUTF also explore the possibility of changing the annual maximum from a calendar year to a plan year?

A: Yes.

51. Q: Appendix C, Provider Networks. When providing counts of providers in various counties, do you count the dentist by the various office locations in which he or she practices, or is each provider only counted once no matter how many counties he or she practices in?

A: The EUTF will be sending out an addendum that addresses this question. The addendum will ask proposers to provide both a count of individual providers and a count of office locations.

52. Q: Appendix C, Claim processing. Why are there PPO Questions when the current program is not a PPO?

A: The EUTF expects to receive Dental PPO proposals. If these questions are not applicable, it is acceptable for an offeror to indicate this in their proposal.

53. Q: Appendix C, Claim processing. Why are there discounted plan questions when the current program is not a discounted plan?

A: The EUTF expects to receive proposals for discounted plans. If the offeror is not proposing discounted plans, the offeror is not required to answer questions that pertain only to discounted plans.

54. Q: Prescription Drug Questionnaire. Can a member enroll in different coverages between the medical and drug plans? E.g. single coverage under medical, but family coverage under drug?

A: This determination will be made at the discretion of the board.

55. Q: Appendix C, Prescription Drug Plans, page 24. Reference is made to a specific offer for 2008's Medicare Part D program. Please fully describe which approach the EUTF would like to make to Part D plans for 2008.

A: Presently, the employers (State and county) use the Retiree Drug Subsidy (RDS) option. For the contract period covered by this RFP, either the employers will continue with the RDS option, or EUTF will contract with a CMS approved plan. At this time, a final determination has not been made. The final decision will be influenced by the proposals received in response to this RFP.

56. Q: Appendix C, page 29, Q 36. Please confirm expectations on what is meant by “what the PBM pays to purchase drugs for its mail-order pharmacy.” Can the PBM base discounts on lot sizes of 100 and not the actual lot size purchased?

A: What is meant is that the costs to the EUTF for prescription drugs, whether retail or through a mail-order pharmacy, should be the same as the costs to the PBM. The PBM’s calculation of discounts should be an honest assessment of what costs are, and these prices should be the same prices charged to the plan.

57. Q: Appendix C, Prescription Drug Plans, question 36. The question asks about minimum price guarantees. Where would these guarantees be indicated?

A: The question is not a specific one with particular guarantees referenced, but rather a conceptual question.

58. Q: Appendix C, page 29, Q 37. Is the lesser of provision a requirement of the RFP?

A: While not a requirement of the RFP, this provision shows EUTF whether the offeror is serious about saving the plan money.

59. Q: Appendix C, page 30, Q 41. Please confirm that disclosure of all manufacturer contracts is a requirement. If it is a requirement, can disclosure be via an audit?

A: Disclosure of all contracts is not a requirement. , However, whether and when such disclosures will be made by the offeror may be considered by the Evaluation Committee in evaluating the offeror’s proposal.

60. Q: Reference Appendix C, page 46. What is the EUTF current process of certifying eligibility when a death occurs.

A: Per the RFP, EUTF sends semi-monthly eligibility files to all carriers, including the life carrier. The carrier relies on these files to determine eligibility when a death occurs.

61. Q: What are the current group life conversion charges per \$1,000?

A: The current conversion charges are \$100 per \$1000.

62. Q: Appendix C, Prescription Drug Plans, question 50. The question asks about Specialty medications. Please describe how these medications are currently covered, and what is EUTF’s desire for specialty coverage under the new contract. Where in the proposal would pricing be indicated for specialty medications?

A: The RFP is seeking information on how each offeror normally handles specialty medications. Current specialty drug coverages vary depending on the carrier. Specific

pricing information is not being requested at this time, but may be appended to the proposal if desired.

Appendix D Rate Proposal Forms

63. Q: Appendix D. Please provide in Microsoft Word Format.

A: See Addendum 1 to the RFP issued August 22, 2006.

64. Q: Appendix D, pages 7, 9 and 11. Are these forms only for insured bids?

A: For the purpose of comparison with other options, the EUTF requests that an all-inclusive PEPM fee be presented in this form. An addendum with the specific breakdown of pricing would be appreciated as well.

65. Q: Appendix D, page 19. In this form, Prescription Drug Plan ASO Monthly Fee, would the bidder simply indicate here the administrative fee on a per employee per month basis? If so, where would the retail pharmacy, mail pharmacy, rebate guarantee and specialty pharmacy pricing be indicated? How would optional services be indicated?

A: For a self-funded plan, please use the form on page 19.

66. Q: Appendix D. Rate proposal forms: Can the EUTF clarify whether the vendor should include HSTA retirees when bidding for the retiree plan?

A: In the Fall of 2006, bargaining unit 5 retirees will have a one-time option to enroll in the HSTA VEBA plans or stay in the EUTF's plans. EUTF is unable to predict how many of the bargaining unit 5 retirees currently enrolled in the EUTF's plans (approximately 6,400 retirees) will elect to move to the HSTA VEBA plan.

Appendix E Offer Form OF-1

67. Q: Appendix E. Please provide in Microsoft Word format.

A: See Addendum 1 to the RFP issued August 22, 2006.

Appendix F Wage Certification

68. Q: Appendix F, Wage Certification. Can EUTF provide job titles, hourly wage levels and possibly corresponding job descriptions for public officers and employees for similar work?

A: Only the successful offerors will have to make this certification or promise. It is a condition of entry into a contract not to make a proposal. Under HRS 103-55, certain classes of personnel are exempt from this certification, including managerial, supervisory, or clerical personnel. Also it does not apply to contracts with nonprofit institutions. If the wage certification applies, the offeror should check with the Employee Classification & Compensation Division within the Department of Human Resources Development.

69. Q: Appendix F, Wage Certification. Will the contractor be required to compensate employees at the same rate as the EUTF?

A: Only the successful offerors will have to make this certification or promise. It is a condition of entry into a contract not to make a proposal. Under HRS 103-55, certain classes of personnel are exempt from this certification, including managerial, supervisory, or clerical personnel. Also it does not apply to contracts with nonprofit institutions. If the wage certification applies, the offeror should check with the Employee Classification & Compensation Division of the Department of Human Resources Development.

70. Q: Appendix F. Please provide in Microsoft Word format.

A: This document is not available in Word format.

Appendix G HIPAA Business Associate Agreement

71. Q: Appendix G. Please confirm that this document is for review only at this time.

A: Yes.

Appendix H Garner Consulting Annual Reports

72. Q: In Appendix H, page 100, Table 41 retention is shown as 7.61% but it appears from the experience data in Appendix I that the retention is 10.5% plus an additional 1% for the "Administrative Expense." Can you please confirm the current retention percentage?

A: Under the current contract with Aetna, retention is guaranteed at 8.5% of premium, plus 2% of premium for beneficiary management services.

73. Q: The retention amounts in the Garner reports (Table 39 for 2004, Table 41 for 2005 and the Aetna section of the FY 06 utilization reports) all represent a different percentage of premium. What is the basis of the current retention calculation? Is it a percentage of premium, a percentage of claims or is another method used. If applicable, what is the percentage of claims or premium that is used? If a different method is used, can you explain what it is?

A: Under the current contract with Aetna, retention is guaranteed at 8.5% of premium, plus 2% of premium for beneficiary management services.

74. Q: Have the total number of actives and retirees covered for life insurance during 2006 changed by more than 5% from the numbers shown on page 98 of the First Annual Report for periods ending in 2004 and 2005?

A: No. However, with the withdrawal of the HSTA group from the EUTF's plans, the total number of lives has changed significantly in plan year 2006.

75. Q: Appendix H: Request Large Claims Data for Plan Year ending 6/30/2003, 6/30/2004, 6/30/2005 and 6/30/2006, which would include diagnosis, prognosis, and amount of paid medical claims for any individual with claims exceeding \$100,000.

A: This information is not available.

76. Q: Please provide a further breakdown of claims data reported in Appendix H.

A: No further breakdown can be provided at this time.

77. Q: Why don't the VSP rates shown in Appendix H match the VSP rates shown in Appendix M?

A: The higher rates include the administrative fee.

78. Q: On Appendix H there are tables (2004 and 2005) named "Monthly Average Vision Care Plan Enrollment by Eligibility Class and Dependent Status" for both actives and retirees. Please provide the family tier broken down by spouse and children.

A: The information requested is not available at this time.

79. Q: Why does appendix H have rates for 2007?

A: The 2007 plan year began 7/1/06 and ends 6/31/07.

Appendix I FY06 Utilization Reports

80. Q: Appendix I. Please provide claims experience for the prior year, July 1, 2004 through June 30, 2005, from HMSA.

A: See Appendix H.

81. Q: Please verify that the experience provided covers 2005-2006. If so, are we able to get more plan experience data? In addition to what we received we are requesting 3 additional

years. Can we also get details on the “Administrative Expense (Other Charges)” and what it includes?

A: Appendix I covers 2005-2006. See Appendix H for earlier periods. “Administrative Expense (Other Charges)” includes premium taxes, but specific information on the other components of this charge are calculated by a formula that is considered proprietary by Aetna.

Appendix J Census Data (As of July 1, 2006)

82. Q: Appendix J. Please provide in Excel format. In addition to the information provided in Appendix J, please include the following data elements: street address, zip code, state, birthdates, sex and dependent status.

A: A file in Excel format with the requested information has been posted on the web site.

83. Q: Appendix J describes health benefits enrollment by coverage tier (page 2). Those numbers are not comparable with the numbers on Appendix H page 34 Plan 2005. Could you please describe what the difference is?

A: As stated in the respective appendices, Appendix J is as of 7/1/06 and Appendix H is for plan year 2004 (July 1, 2003 – June 30, 2004) and plan year 2005.

Appendix M EUTF Reference Guides

84. Q: Appendix M. Please confirm that the HMSA and Kaiser benefits were the same for 2005 year as 2006.

A: The reference guides are specific as to benefit changes for this period.

85. Q: Most of the information indicates that the current and historical monthly rate is \$4.12. The Reference Guide lists the monthly rate as \$4.16.

A: This difference is the 4 cent administrative fee collected from employers and paid to the EUTF.

86. Q: Employer contributions for retirees are given in appendix M. Are these employer contributions expected to change?

A: Yes, they change when Medicare Part B premiums change.

87. Q: Employer contributions for actives are given in Appendix M. Are contributions set as a fixed amount or as a ratio of the overall premium (regardless of amount of premium)?

A: The employer contributions are generally established in collective bargaining agreements. Under Section 87A-32(a)(1) of the Hawaii Revised Statutes (“HRS”), the employer’s monthly contributions are to be a specified dollar amount but not to exceed the actual costs of the employee’s health benefits plan. In the past, the collective bargaining agreements have established the employer’s monthly contributions as a fixed dollar amount for each of the different types of health benefit plans offered by the EUTF, subject to the proviso that the employer’s monthly contribution will not exceed the actual costs of the applicable health benefits plan.

88. Q: According to Appendix M, Reference Guide for Employees, page 4, Section Rates, retirees contributions varies according to date of employment. Can you please describe how many retirees contribute and their percent of contribution.

A: Employer contributions for retirees are set by statute under HRS §§ 87A-33, 87A-34, 87A-35, and 87A-36. Those statutes establish a base monthly contribution for retirees based on when they were hired, when then retired, and the number of their years of service. The base monthly contribution is the maximum amount of the employer’s contributions. The actual amount contributed shall not exceed the actual costs of the retiree’s health benefits plan. The base monthly contribution is adjusted annually based on the increase/decrease in Medicare Part B premiums. See HRS § 87A-33(d). It is anticipated that the current employer contributions for retirees will change. Currently, slightly less than 1,000 retirees pay a monthly contribution, based on an employer contribution of 50% of the base monthly contribution. The amount of the contribution varies based on which benefit plans the retirees select.

QUESTIONS WITH NO REFERENCE

89. Q: How many hard copies of monthly operations reports are required?

A: The original plus 20 copies of the monthly operations report are to be sent to EUTF.

90. Q: What data should be included in the monthly financial operations reports?

A: Monthly financial operations reports should include premium income per contract and as billed, COBRA premium income, paid claims, changes in reserves and administrative expenses. The underwriting surplus or deficit should be represented both as per contract and as billed. This should be provided for active employees and for retirees.

91. Q: Is active and retiree data to be reported separately?

A: Yes.

92. Q: Is active reporting to be broken down by bargaining unit?

A: Yes.

93. Q: Should retiree reports be broken down by Medicare vs. non-Medicare?

A: Yes; however, if Medicare does not cover the health plan proposed, the contractor, will be exempted from this requirement.

94. Q: Is it possible to get census data on how many employees are eligible for TRICARE?

A: No, EUTF does not collect this type of information.

95. Q: Could proposers see a copy of the current group life policy with Aetna?

A: Yes. A copy of the Aetna policy is posted on the web site.

96. Q: Is a full description of currently covered dental benefits with CDT codes available?

A: The data posted in response to the next question has some of this information.

97. Q: Is it possible to receive claim frequency by CDT code?

A: This information has been posted to the web site.

98. Q: State of Hawaii RFP: Please provide in Microsoft Word format.

A: As noted in Addendum 1 to the RFP. Appendices B, C, D and E have been provided in Microsoft word format. The rest of the RFP will not be provided in Word format.

99. Q: Pharmacy: Would the state be interested in an enhanced PDP plan? If so, please provide experience for the post-65 population. Would the state be interested in an MAPD PPO plan?

A: Each offeror is free to quote on any additional prescription drug plan designs or bundled packages it wishes to submit for consideration. See Appendix I for claim experience for retirees with Medicare.

100. Q: Dental: Please explain the method used to calculate the allowed amount for both in and out of network dental claims, i.e. 80th, 90th, MAC, and how often this is updated.

A: The current system pays the plan benefit percentage of the lesser of the submitted fee, the filed fee, or the carrier's usual and customary fee. For out-of-network claims a proprietary Table of Allowances is used.

101. Q: Dental: Is it possible to obtain a claim report that lists providers, Tax IDs and claim totals? We would like to review for an overall discount comparison as well as use for a provider recruit strategy.

A: This information is not available.

102. Q: Vision: Are the retiree rates for vision employer paid?

A: The employer pays a single amount to the EUTF for all of the health benefits plans that a retiree is enrolled in, i.e., medical, drug, vision, and dental plans. The amount is the actual costs of the health benefits plans up to 50%, 75%, or 100% of the base monthly contribution described in HRS § 87A-33. See HRS §§ 87A-33 through 87A-36. Retirees are responsible for paying the balance of any premium due for their health benefits plans. See HRS § 87A-40. Based on its current method of allocating the employer's contribution (i.e., the employer's contribution is used to pay for vision and dental benefits plans before other medical benefits plans), retirees rates for vision plans are currently 100% employer paid.

103. Q: Vision: How many (if any) retirees have to pay an additional monthly rate? If any, what is that rate?

A: About 650 retirees currently qualify for 50% of the base monthly contribution paid by the employer. As noted above, under the EUTF's current method of allocating employer contributions, even these retirees do not have to pay anything for their vision benefits plan.

104. Q: Medical: Please provide large medical claims data.

A: This information has been posted to the web site.

105. Q: For any or all of the three reporting periods in the RFP, (FY 2004, FY 2005, FY 2006) can you provide the number of life claims paid (by year) by retiree and active or in total.

A:

Time Period	Number of Active Claims	Number of Retiree Claims
7/1/03 - 6/30/04	68	565
7/1/04 - 6/30/05	79	647
7/1/05 - 6/30/06	77	613

106. Q: Is it possible to obtain life claim experience back to 7-1-03 when the EUTF was established?

A: The annual reports in Appendix H include life claim experience from 7-1-03 through 6-30-05 and Appendix H includes life claim experience from 7-1-05 through 6-30-06.

107. Q: Has Aetna been the life carrier since inception in 2003?

A: Yes.

108. Q: Is it possible to obtain information on the employer group that is due to rejoin the EUTF on 7-1-08?

A: Taking this question literally, there is no employer group due to rejoin EUTF on 7/1/08. If the question refers to the sunset provision of Act 245 (described in Section 1.01 of the RFP), it is possible that the HSTA VEBA participants will return to the EUTF on 7/1/08. HSTA VEBA participants are members of bargaining unit 5, and information regarding this group is included in Appendices H and I of the RFP.

109. Q: Is the EUTF group premium tax exempt?

A: No. Carriers may or may not be tax exempt, depending on their status under Hawaii insurance laws.

110. Q: Would the EUTF like to review a non-par life funding arrangement as well?

A: Offerors are welcome to submit alternate plan design proposals.

111. Q: Is it possible to obtain a current life census in Excel format, including age, gender, active/retiree status, and work location?

A: This information has been posted to the web site.

112. Q: Is it a requirement of the EUTF that the administrator of the life plan be located in Hawaii?

A: No, provided that full, adequate and timely service can be provided.

113. Q: Would the State allow self administration for the life portion of the benefits (no data transmissions)? The State would keep all enrollment/eligibility information and submit to the life carrier only in the event of a claim.

A: No. EUTF requires that the carrier maintain eligibility and process claims without intervention by EUTF.

114. Q: For a carrier providing only life coverage can customer service representatives be on the mainland?

A: Yes, provided that full, adequate and timely service can be provided.

115. Q: Please provide 2 years of experience (in addition to 7/1/05-7/1/06).

A: See Appendix H

116. Q: Please provide benefit amounts in force 7/1/04-7/1/05.

A: Please see Appendix M for this information.

117. Q: For a carrier providing only life insurance would we be required to assist in enrollment meetings?

A: Yes.

118. Q: Can the RFP, or at minimum the forms and questionnaire, be provided in Word format?

A: Yes. See Addendum 1 to the RFP issued August 22, 2006.

119. Q: Is the current contract a participating or a pooled contract? If participating, does the group have funds in a Claims Fluctuation Reserve or a Premium Deposit type of account? Is there a current balance in this account? Is that balance transferable from Aetna to Standard? Can we get a copy of the refunding agreement? Is the interest mentioned in Question 2 above from interest paid on a balance in this account? Is the group eligible for cash refunds?

A: The contract is participating. There is a Premium Stabilization Reserve. The current amount of funds in this account is \$852,778. Funds are not transferable. The group can get cash refunds.

120. Q: Can we get a copy of the Aetna life contract or certificate?

A: Yes. A copy of the Aetna certificate is posted to the web site.

121. Q: Since there is no waiver of premium, please tell us how the current disabled lives are handled. Do they lose coverage altogether? Is it expected that we will be taking over current known disabled lives? If so, can we get a census with the date of disability, gender, age and type of disability?

A: The current life carrier assumed the liability for disabled lives at the inception of the contract. EUTF has no current information on the disabled employees.

122. Q: Are we able to get all RFP forms in Word format instead of PDF (sections 1-5)?

A: See Addendum 1 to the RFP issued August 22, 2006.

123. Q: Would the State consider an alternative proposal of supplemental health and supplemental life insurance plans?

A: The prohibition against alternate proposals in Section 1.09 of the RFP is meant to prevent offerors from submitting more than one proposal in response to this RFP. This does not prohibit an offeror from submitting a single proposal that contains alternative types of plans

or services. However, the EUTF will not be accepting proposals for voluntary supplemental plans paid entirely by employees.

124. Q: Would it be possible to get a census file that includes zip code information in MS Excel format?

A: Yes, this information has been posted on the web site.

125. Q: Can you please clarify EUTF's intent with regard to the Medicare eligible retirees? Please identify which option below is your course of action for the coming year:

- A. Retiree Drug Subsidy (RDS)
- B. Direct Waiver PDP – Employer becomes a PDP for its own retirees through a contract with the Centers for Medicare and Medicaid Services (CMS)
- C. Indirect Waiver PDP - Plan sponsors may forego the subsidy, and contract with a carrier to provide a PDP for their retirees.
- D.

A: Presently, the employers (State and county) use the Retiree Drug Subsidy (RDS) option. For the contract period covered by this RFP, either the employers will continue with the RDS option, or EUTF will contract with a CMS approved plan. At this time, a final determination has not been made. The final decision will be influenced by the proposals received in response to this RFP.

126. Q: Please provide information regarding the factor and/or margin used to determine the rate stabilization reserve ("RSR").

A: The RSR represents any surplus differential between the earned premium and total charges (net incurred and paid claims + retention + incurred reserve). If premiums exceed costs, the surplus is designated as the RSR.

127. Q: Is the employer contribution expected to remain the same for the next four years?

A: With the exception of one bargaining unit, the current collective bargaining agreements expire as of June 30, 2007. The employer's contributions for the period of time after June 30, 2007 have yet to be negotiated. It is not expected that the employer's contributions will remain the same for the next 4 years.

128. Q: How are future employee contributions established?

A: For employees who are represented by employee organizations (public sector unions), employer contributions are set out in collective bargaining agreements between the public employers and the public sector unions. See HRS §§ 87A-32, 89-9(a), 89-9(e), 89-10(b), and 89-11(g). For employees who are not represented by public sector unions, employer contributions are administratively established under HRS Chapter 89C. In the past, employer contributions under HRS Chapter 89C have generally followed the employer contributions

established in the collective bargaining agreements. Employees are responsible for any premiums not paid for by the applicable employer contribution. See HRS § 87A-40.

129. Q: Can employer contributions change at any moment or only at each renewal period?

A: Employer contributions cannot change at any moment. Employer contributions are generally established in collective bargaining agreements. In the past, the collective bargaining agreements have permitted adjustments to the employer contributions for each new fiscal or plan year during the term of the collective bargaining agreement. However, it should be noted that these agreements were based on proposed or contracted premium rates for the EUTF's health and other benefits plans.

130. Q: What is the VSP dual vision plan is and how it differs from the standard plan.

A: Note that the RFP indicates that proposals for a dual vision plan are not being solicited. The dual vision plan is a supplemental plan for people with other vision care coverage which would be primary. The dual vision plan would provide limited coverage for copays incurred under the primary plan. See the reference guides included as Appendix M for more information.

131. Q: What are the copays are for the Active and Retiree vision plans.

A: The copays are the same for both Active and Retiree: \$10 for an exam and \$25 for materials (lens/frames). See the reference guides included as Appendix M for more information.

132. Q: Please confirm that the 2004 plan year ran from 7/1/2004 to 6/31/2005 and that the 2005 plan year ran from 7/1/2005 to 6/31/2006.

A: No, the 2004 plan year ended on June 30, 2004 and the 2005 plan year ended on June 30, 2005.

133. Q: Once enrolled can an employee cancel enrollment in a plan or do they have to wait until next open enrollment period to cancel?

A: Employees may voluntarily cancel enrollment at any time. For details see Rule 4.12 of the EUTF Administrative Rules referenced in the RFP.

134. Q: Does the claims data for 2004 and 2005 represent "fully completed claims numbers" or do they include IBNR (incurred but not reported).

A: As indicated in Appendix H, there is an IBNR.

135. Q: Are marketing expenses/fees associated with the solicitation of the product to the employees the responsibility of the carrier?

A: Marketing materials are at the carrier's expense.

136. Q: Does the carrier have to pay any broker commission or broker fee?

A: As indicated in the RFP, no commissions are payable.

137. Q: What are the costs of mailings conducted by VSP and the frequency of those mailings within a calendar year?

A: This information is not available.

138. Q: Who bills and collects? The EUTF's administrator? Does the EUTF administrator transfer all the premiums by eligible group to the carrier?

A: Yes, EUTF bills and collects from employers for their share of premiums and collects participants' share of premium through payroll deduction. EUTF pays carriers for participants enrolled in their plans.

139. Q: How is the transfer of the eligibility carried between the EUTF administrator and the carrier?

A: EUTF transmits eligibility files electronically through secure FTP in standard 834 format.
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140. Q: Is the incumbent plan currently participating in the Retrospective Payment Agreement and if so, what has been the experience under this agreement in terms of financial impact?

A: The historical information provided covers periods in which only the dental and vision contracts included retrospective premium agreements.

141. Q: How is the incumbent plan currently administering COBRA benefits and QMSCOs? If available, how many participants are included in those plans?

A: Regarding COBRA, upon receipt of notice of a qualifying event EUTF sends general and election notices to the affected participants. The enrollment applications are forwarded to the respective carriers for subsequent action. Any actions beyond this are handled by the carriers. EUTF does not have data on the current number of COBRA participants. QMSCOs are handled by the EUTF. The EUTF enrolls any child under QMSCO orders based on the QMSCO instructions for the administrator. Data on the number of QMSCO participants is not available.

142. Q: Can we include in the specification of the size of the provider network those providers who have agreed to join the network if we are awarded the contract?

A: Yes, if the providers have given reasonable assurance that they will join the network.

143. Q: Please describe the EUTF's PPO Prescription Drug Plan's current utilization management programs, including prior authorization, step therapy, concurrent DUR, retrospective DUR, etc.

A: HMSA's on-line, real-time point-of-sale drug claims adjudication system has many features. Claims are screened against a number of standard edits to include:

- Eligible Drugs
- Therapeutic Duplication
- Drug Interactions
- Refill Too Soon
- Proper Dosage
- Proper Day Supply
- Generic Availability

All members are eligible for concurrent DUR. Prospective and retrospective DUR is focused on subsets of members.

Prospective reviews involve the development of medical policies that establish appropriate criteria for drug use. These policies are then installed in the point of service system that enables concurrent monitoring.

Retrospective reviews are customized to follow-up on the effectiveness of the medical policies or concurrent monitoring.

Examples of our edits and reviews:

Prospective:

Allergic Rhinitis Guidelines
Managed Obesity Drug Coverage
Electronic Prescribing Tool

Concurrent:

Quality Assurance Edits
Quantity Limits on Abortive migraine drugs.
Daily Allowable Consumption program
COX-2 Inhibitor Guidelines
Gleevec Guidelines

Retroactive:

Routine Claims Processing Audit

Monthly Claims Audit

High Cost Claimants

Education Efforts

144. Q: Please provide the EUTF's PPO formulary currently in use.

A: The formulary can be accessed at <http://www.hmsa.com/portal/?gid=eutf&pg=8>.

145. Q: Will the EUTF provide detailed prescription drug claims with person indicators (de-identified) for utilization analysis and savings opportunities?

A: This information is not available.

146. Q: If the EUTF decides not to exercise the option to extend the contract for either the additional or year term or additional two year term, how much notice will the EUTF provide the contractor?

A: This provision provides that if the EUTF decides to exercise an option to extend the contract, it will do so at least sixty (60) calendar days before the expiration of the current term of the contract. Thus, at a minimum, the contractor will receive sixty (60) calendar days notice of the EUTF's decision not to exercise an option to extend the contract, i.e., failure to receive a notice of extension being such notice.

147. Q: What is the TRICARE program?

A: Please see <http://www.tricareonline.com/>

148. Q: What is the viability of submitting a self-funded proposal?

A: Based on its anticipated reserves, EUTF believes that self-funded proposals are viable. However, whether the EUTF will ultimately decide to consider self-funded plans or services is a discretionary policy decision that will depend on a number of factors. See Section 4.04.B and various other sections of the RFP.

149. Q: Of the total lives, what are the possible tiers of lives that may elect to make a change?

A: We do not understand this question.

150. Q: Will claims data be provided in excel format?

A: No.

151. Q: Is a carrier able to propose and adjust benefits in the second year?

A: Yes, but any change in benefits is subject to the approval of the EUTF Board of Trustees.

152. Q: What information do you want included in the monthly financial report?

A: Monthly financial operations reports should include premium income per contract and as billed, COBRA premium income, paid claims, changes in reserves and administrative expenses. The underwriting surplus or deficit should be represented both as per contract and as billed. This should be provided for active employees and for retirees.

153. Q: Please define the information you want the annual plan performance report with the incurred and paid accounting report.

A: See Appendix H for sample information.

154. Q: What would be an acceptable alternative to claims data for carriers that are not claims based? For example, will utilization and aggregate averaged cost data reports be accepted in lieu of claims data?

A: If a plan cannot provide claim data, utilization and aggregate average cost data will be acceptable.

155. Q: Please clarify the statement “Contractors that do not use experience rating (such as community rating with rate adjustment factors) should use the alternative that was proposed in their proposal as accepted by the EUTF and/or in the contract.”

A: Use the methodology that is used to determine the rates quoted in the original proposal.

156. Q: Will tier ratios and structure be specified for all carriers for each population that is quoted separately?

A: Yes, at the discretion of the Board of Trustees.

157. Q: Under a minimum premium plan, where the EUTF pays for retention each month and claims periodically up to a certain maximum amount, what rate will employer/employee contributions be based upon?

A: The EUTF Board of Trustees will determine a rate for employer/employee contributions to be based upon and provide that rate to the collective bargaining parties.

158. Q: Would a carrier have the ability to propose alternative performance standards/guarantees that are aligned to their business model?

A: Yes.

159. Q: Can the performance guarantee, “Answer 90% of calls within 30 seconds” be measured on a group specific basis instead of a region basis?

A: Yes.

160. Q: Can the penalty for the performance guarantee “Answer 90% of calls within 30 seconds: be changed to 1% of quarterly premium?

A: Yes.

161. Q: How would a plan offer different tiering structures on favorable terms?

A: Plans which do not agree to offer different tiering structures, if required by collective bargaining, will lose points in the evaluation process. Paragraph 17 of Section 3.02 requires offerors to be prepared to offer three-tier or four-tier rates structures that generate equivalent premiums to the two-tier structure. The “equivalent premiums” assumes that there will be only rate structure used for all the EUTF active employee health benefit plans. As indicated in Paragraph 17, the EUTF is anticipating that collective bargaining between the public employers and public sector unions will determine whether there will be one or more tiering structures for the EUTF active employee plans and what tiering structure or structures will be used. In order to provide information that may be needed for this process, the EUTF needs offerors to provide proposed rates for two, three, and four-tier rate structures, to advise whether different rate structures could be offered for different bargaining units, to advise whether offering one or more different rate structures will increase the EUTF’s overall premiums or costs, and to advise whether there are any other costs, constraints, limitations, issues or problems involved in offering one or more different rate structures.

162. Q: Will the EUTF consider similar groups outside the State of Hawaii?

A: Yes.

163. Q: Please define HMO Administrative services.

A: This rate form is intended for use with a self-funded HMO plan.

164. Q: We request a census document for the Retiree population.

A: This information has been posted to the web site.

165. Q: PPO Questionnaire: Will the HDHP be available to both actives and retirees with and without Medicare?

A: The HDHP will be available only to active employees.

166. Q: PPO Questionnaire: Please confirm that carriers will be allowed to modify the deductible and/or stoploss amounts mid-plan year to comply with the IRS rules for the insurance portion of the HSA-qualified HDHP.

A: Yes, if required by IRS rules.

167. Q: Will the trust fund communicate eligibility rules as well as other HSA non-benefit information to prospective enrollees?

A: Yes.

168. Q: Will the trust fund allow members to enroll in the HDHP even if they may be ineligible to contribute to an HSA?

A: Yes.

169. Q: Regarding TRICARE, does the EUTF have an estimate of the number or percentage of the EUTF membership that would be eligible by active and retiree populations?

A: No.

170. Q: Will the EUTF verify participation in TRICARE for those enrolling in a TRICARE supplemental plan?

A: No. If verification is necessary, it should be done by the carrier with the participant or with TRICARE.

171. Q: Does the EUTF want supplemental plans to all three TRICARE options?

A: Yes.

172. Q: Prescription Drug Questionnaire: If drug is awarded on an unbundled basis, will the EUTF still require that a beneficiary enroll in a drug plan if enrolled in a medical plan?

A: This determination will be made at the discretion of the board.

173. Q: If a dependent of an active employee is Medicare eligible, will the dependent be required to enroll in Medicare Part D?

A: No. EUTF requires enrollment in Medicare Part B, but there is no requirement to enroll in Medicare Part D.

174. Q: How many EUTF employees and dependents had COBRA coverage events in calendar year 2005?

A: This information is not available.

175. Q: How many EUTF employees and dependents had HIPAA events in calendar year 2005?

A: EUTF received no complaints of HIPAA violations in 2005.
EUTF does not keep track of the number of HIPPA special enrollments.

176. Q: Is the EUTF able to provide established policies and procedures documentation to the contractor?

A: EUTF policies related to enrollment, eligibility and other matters can be found in the EUTF Administrative Rules. EUTF does not have a "Carrier/Contractor Procedure Manual." Carriers are required to enter into an agreement with the State's internet portal manager, Hawaii Information Consortium, LLC. (HIC), in order to download the PGP encrypted semi-monthly carrier files via FTP from this host's site. The carrier pays an annual fee which is currently \$75.00 and subject to change. The carrier receives an e-mail notification from HIC when a new carrier file is ready for the carrier to download.

177. Q: Will the EUTF provide samples of existing required reports including format and component changes for the future?

A: The format is at the discretion of the contractor. Monthly financial operations reports should include premium income per contract and as billed, COBRA premium income, paid claims changes in reserves and administrative expenses. The underwriting surplus or deficit should be represented both as per contract and as billed. This should be provided for active employees and for retirees. Quarterly reports are to include the same information, without estimates.